



State of Delaware
Water Infrastructure Advisory Council
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Minutes of the 147th Meeting

December 5, 2018

The Water Infrastructure Advisory Council held a public meeting on Wednesday, December 5, 2018, at 9:00 a.m., at Kent County Administrative Complex, 555 Bay Road, Conference Room 220, Dover, Delaware.

MEMBERS PRESENT:

Jeffrey Bross, Chairman
Hans Medlarz, Vice-Chair
Desmond Baker
Jeffrey Flynn arrived at 9:05 a.m.
Richard Duncan
Charles Anderson
David Baker arrived at 9:30 a.m.
Jen Adkins
Robert Stickels
Michael Harmer
Carolann Wicks
Eugene Dvornick

MEMBERS ABSENT:

Bruce W. Jones

OTHERS PRESENT WERE:

Carla Cassell-Carter, Environmental Finance
Laura Rafferty, Environmental Finance
Davison Mwale, Environmental Finance
Robert C. Burns, Environmental Finance
Charles Santo, Environmental Finance
Laura Robbins, Environmental Finance
Keith Kooker, Environmental Finance
Reza Moqtaderi, Environmental Finance
Greg Pope, Environmental Finance
James Sullivan, DNREC
Jennifer Roushey, DNREC

Doug Lodge, ODW/OE
Heather Warren, DPH
Keith Mensch, DPH/ODW
Ken Branner, Artesian Water
Carrie Kruger, Duffield
David Athey, AECOM
Chris Brendza, JMT
Mike Gilbert, WRA
Judy Schwartz, GMB
Dan Strine, KCI
Matthew Hall, Town of Millsboro
Jamie Burk, Town of Millsboro
David Del Grande, City of Newark

CALL TO ORDER PUBLIC MEETING:

Meeting came to order at 8:59 am.

Chairman Bross asked that everyone observe a moment of silence in remembrance of former president, George H.W. Bush.

APPROVAL OF THE AGENDA:

Motion made by Mr. Duncan, seconded by Mr. Dvornick to approve the agenda. Motion carried unanimously.

APPROVAL OF MINUTES – October 17, 2018 Public Hearing and Public Meeting Minutes:

Motion made by Mr. Duncan, seconded by Desmond Baker to approve the October 17, 2018 public hearing and public meeting minutes. Motion carried unanimously.

Chairman Bross mentioned EPA Region III's news release regarding the recognition of the City of Wilmington's Renewable Energy Biosolids Facility Project: WIAC approved this project for funding. The City is a recipient of the 2018 PISCES program award. Chairman Bross commended Greg Pope, Reza Moqtaderi, and Terry Deputy for their work on the project.

Chairman Bross requested that WIAC members sign the Conflict of Interest and Disclosure of Certain Interests Policy and return them to Laura Rafferty no later than Friday, December 7, 2018.

WIAC-INFORMATIONAL:

Technology for Underground Utility Locating

Greg Finkle, P.E., from Trinity Subsurface Engineering LLC, did a presentation on technology for underground utility locating. Items discussed were public utilities; private lines; 811 Dispatch

System (required by law) for public utilities and the use of third party services; and the American Society of Civil Engineers (ASCE) Standard 38-02 Data Quality Levels.

- Quality Level A-Exposure: Vacuum Excavation and Video Pipe Inspection
- Quality Level B-Surface Geophysical: Electromagnetics (EM), Radio Frequency (RF), Ground Penetrating Radar (GPR)
- Quality Level C-Topographic Survey: collect information on manholes, catch basins, and utility poles
- Quality Level D-Records Research- collect information from existing utility records and call 811

Greg Pope discussed the following updates:

Wastewater and Drinking Water Needs Assessment Kickoff

- Contract awarded to Tetra Tech to perform both assessments
- Contract runs November 1, 2018 – November 1, 2019

CWSRF and DWSRF Borrower's Workshop

- December 12, 2018, 10 am to noon, Kent County Administrative Complex, 555 S. Bay Road, Dover, Conference Room 220
- All potential applicants should attend or send a representative such as an engineering consultant.

2019 Project Priority List and Intended Use Plans (PPL/IUP)

- NOI/PPL Solicitation: Wednesday, Dec. 12, 2018 to Friday, Jan. 11, 2019
- PPL/IUP Public Hearing: Wednesday, February 20, 2019
- Public Comment Close: Friday, March 22, 2019

NEW BUSINESS:

CWSRF LOAN REQUESTS

Reza Moqtaderi presented the **City of Newark's Sewer Study & Rehabilitation Phase I project**

Project Description: Inspection and rehabilitation of existing sewer lines to address major deficiencies identified during sewer inspections in the White Clay Creek and Cool Run Sewer Basins over the past three years. Sewer lines will be cleaned, CCTV inspected and rehabilitated as necessary, based on the findings.

Environmental Review: Categorical Exclusion-Legal Notification advertised. No comments received.

Project Schedule: Start- February 2019 Complete Phase 1 - December 2019

Project Budget:

Engineering	\$ 50,000
Construction	<u>\$1,250,000</u>
Total:	\$1,300,000

Laura Robbins presented the financial information:

City of Newark – Sewer Study & Rehabilitation – Phase I

	Sanitary Sewer Rehab (Phase I)	Proforma (Includes \$9,000,000 Rodney Project)
Waste Water Affordability Analysis		
Annual Debt Service, New Facility	\$82,911	\$82,911
Existing Debt Service (1)	\$0	\$548,201
Existing O.M & R (1)	\$5,558,266	\$6,827,266
O.M & R Cost, New	\$2,500	\$2,500
Total Cost New Facility	\$5,643,677	\$7,460,878
Residential Share at 20%	\$1,128,735	\$1,492,176
EDUs	7000	7000
Total Estimated Annual Charge Per EDU	\$161	\$213
Median Household Income	\$55,256	\$55,256
% of MHI	0.29%	0.39%
Drinking Water Affordability Analysis		
Existing Debt Service (2)	\$1,735,918	\$2,053,496
Existing O.M & R	\$5,567,673	\$5,780,173
Total Cost Facility	\$7,303,591	\$7,833,669
Residential Share at 20%	\$1,460,718	\$1,566,734
EDUs	7000	7000
Total Estimated Annual Charge Per EDU	\$209	\$224
Median Household Income	\$55,256	\$55,256
% of MHI Drinking Water	0.38%	0.41%
% of MHI Combined	0.67%	0.79%
(1) Includes Rodney project debt service & OM&R charges.		
(2) Includes Proposed debt service on new DWSRF \$4,550,000 in projects.		

Proposed Loan Terms: Secured by a General Obligation Bond Pledge of the City with full faith, credit, and taxing power. 2.489% interest with a 20-year term (based on 95% of the BVMB10Y). During construction semi-annual installments of 2.489% interest-only payments will be made by the City. Upon project completion, principal and interest payments shall be paid semi-annually in an amount to amortize the outstanding principal balance over the 20-year term.

Recommendation: Environmental Finance recommends Council approval and recommendation of a CWSRF Binding Loan Commitment in the amount of \$1,300,000 to the City of Newark for the proposed project with the aforementioned loan terms.

Motion made by Mr. Duncan, seconded by Mr. Dvornick to approve the CWSRF Binding Loan Commitment (\$1,300,000) to the City of Newark for the Sewer Study & Rehabilitation Phase I project. Motion passed unanimously.

Reza Moqtaderi presented the **Town of Smyrna's South Main Street Utility Replacement Scope Expansion**

Requested Scope Expansion: Purchase of a 0.41 acre vacant lot located at 224 South Main Street for use as a staging area during construction.

Background Information: Scope-Install 1,280' of 12" & 440' of 10" sewer lines on South Main

- Project approved by WIAC: February 2018
- Approved by DNREC Secretary: March 2018
- Proposed Loan Amount: \$1,705,275
- Financing Agreement: Expected to close in December 2018

Implementation:

Funding Source: Project budget contingency line item

Proposed Restrictions

Staging during construction with Special Condition thereafter: A restriction will be placed on any acquired property to ensure intended use for construction staging and continued use for public access and/or water quality enhancements at construction completion until the prepayment in full or loan maturity. It has not been finalized, but it is possible that the parcel may be used for a parking lot after construction.

Recommendation: Environmental Finance recommends Council approve the use of loan proceeds up to \$150,000 for the purchase of land for use as a staging area during construction and for public access and/or water quality enhancements at construction completion until the prepayment in full or loan maturity.

There was concern over the value of the land, and that there should be an appraisal to determine a fair purchase price for the Town. Carla Cassell-Carter assured the Council that there will be a deed restriction that stipulates if the property is sold then the proceeds will be paid back to SRF at no less than the original purchase price; however, if the sale price is greater, then SRF will get the greater price.

Motion made by Mr. Dvornick, seconded by Ms. Wicks to approve the use of loan proceeds up to \$150,000 for the Town of Smyrna's land purchase. Desmond Baker amended the motion to stipulate that the Town must get a Delaware General Real Estate Appraisal to determine the purchase price. Motion passed unanimously.

DWSRF LOAN REQUESTS

Doug Lodge presented the **City of Newark's Citywide SCADA Upgrades**

Project Description: This project proposes the development of a SCADA system to allow for a more efficient 24 hour system monitoring and management of the entire City of Newark water system. It will be integrated with the current limited SCADA system. The public health benefits of this project will ensure reliable production of potable water and allow the system to operate at peak efficiency.

Environmental Review: Categorical Exclusion

Capacity Development Review: Approval Recommended

Project Costs/Budget

Construction

Construction Related Services	\$550,000
Total Cost of Project	\$550,000

Construction Dates

Start Date: January 2019

End Date: December 2020

Robert Burns presented the financials:

Project Funding \$550,000

Affordability Summary-User Rates: The annual cost for drinking water service is estimated at \$224 per Equivalent Dwelling Unit (EDU). This represents .41% of Median Household Income (MHI).

When the utility provides both drinking water and wastewater service, the affordability standard is 2.0% of MHI. The combined user rate including storm water is estimated at 0.79% of MHI.

Newark	Drinking Water			Proforma Drinking Water	Wastewater	Storm Water
<u>Affordability Analysis</u>	SCADA System	Water Main Replacement	South Well Field TPU	Total	Sanitary Sewer Rehab	Rodney Dormitory
Estimated Project Cost						
Loan Amount	\$550,000	\$1,000,000	\$3,000,000	\$4,550,000	\$1,300,000	\$9,000,000
Interest Rate	2.489%	2.489%	2.489%		2.489%	2.000%
Loan Terms Years	10	20	20		20	20
Annual Debt Service, New Facility	\$62,468	\$63,777	\$191,332	\$317,578	\$82,911	\$548,201
Existing Debt Service	\$1,735,918	\$1,735,918	\$1,735,918	\$1,735,918		\$0
Increase in O,M & R	\$10,000	\$2,500	\$200,000	\$212,500	\$2,500	\$30,000
O,M & R Cost, Existing Facility	\$5,567,673	\$5,567,673	\$5,567,673	\$5,567,673	\$5,558,266	\$1,239,000
Total Cost New Facility	<u>\$7,376,059</u>	<u>\$7,369,868</u>	<u>\$7,694,923</u>	<u>\$7,833,669</u>	<u>\$5,643,677</u>	<u>\$1,817,201</u>
Residential Share at 20%	<u>\$1,475,212</u>	<u>\$1,473,974</u>	<u>\$1,538,985</u>	<u>\$1,566,734</u>	<u>\$1,128,735</u>	<u>\$363,440</u>
EDU's	7000	7000	7000	7000	7000	7000
Project Cost per EDU	\$2.07	\$1.89	\$11.18	\$15.15	\$2.44	\$16.52
Total Estimated Annual Charge Per EDU				<u>\$224</u>	<u>\$161</u>	<u>\$52</u>
Median Household Income				\$55,256	\$55,256	\$55,256
% of MHI				<u>0.41%</u>	<u>0.29%</u>	<u>0.09%</u>
Combined MHI						<u>0.79%</u>

Loan Terms: Secured by a General Obligation Bond with full faith and credit and taxing power of the City. The Interest Rate will be 2.489% for a term of 10 years. Interest only will be payable during construction in semi-annual installments. Upon project completion, principal and interest payments shall be paid semi-annually in an amount sufficient to amortize the outstanding principal balance over the 10-year term.

Recommendation: Based on information presented by the City of Newark's DWSRF application and the financial review conducted by DNREC, Environmental Finance; the Department of Health and Social Services, Division of Public Health recommends Council's approval of the DWSRF Binding Loan Commitment in the amount of \$550,000 to the City of Newark for the SCADA Project with the aforementioned loan terms.

Motion made by Mr. Duncan, seconded by Ms. Adkins to approve the DWSRF Binding Loan Commitment (\$550,000) to the City of Newark's for the SCADA project. Motion passed unanimously.

Mr. Harmer mentioned the Colorado Israeli Water Delegation that offers grants to look at Israeli technology. He will pass on the information to the City of Newark for future use.

Vice-Chair Medlarz agreed with the 10-year loan term due to the life expectancy of the equipment.

Doug Lodge presented the **City of Newark's Water Main Replacement Project**

Project Description: This project proposes to replace the existing 6-inch ductile iron water main with a similar size ductile iron main. There is approximately 3,000 feet of water main to be replaced as part of this project. The public health benefits are improved water quality and to provide adequate and reliable water service to the users along Wilson Road, West Main Street, and East Park Place in the City of Newark.

Environmental Review: Categorical Exclusion

Capacity Development Review: Approval Recommended

Project Costs/Budget

Non-Construction

Engineering	\$68,750
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Construction

Construction Related Services	<u>\$931,250</u>
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Total Cost of Project	\$1,000,000
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Construction Dates: Start Date: April 2019

End Date: December 2019

Robert Burns presented the financials: Affordability Analysis covered previously in the Citywide SCADA project presentation.

Project Funding: DWSRF Loan \$1,000,000

Loan Terms: Secured by a General Obligation Bond with full faith and credit and taxing power of the City. The Interest Rate will be 2.489% for a term of 20 years. Interest only will be payable during construction in semi-annual installments. Upon project completion, principal and

interest payments shall be paid semi-annually in an amount sufficient to amortize the outstanding principal balance over the 20-year term.

Recommendation: Based on information presented by the City of Newark's DWSRF application and the financial review conducted by DNREC, Environmental Finance; the Department of Health and Social Services, Division of Public Health recommends Council's approval of the DWSRF Binding Loan Commitment in the amount of \$1,000,000 to the City of Newark for the Water Main Replacement Project with the aforementioned loan terms.

Motion made by Mr. Duncan, seconded by Vice-Chair Medlarz to approve the DWSRF Binding Loan Commitment (\$1,000,000) to the City of Newark for the Water Main Replacement Project. Motion passed unanimously.

Mr. Harmer recommended to the City of Newark to utilize zinc coated pipe.

Doug Lodge presented the **City of Newark's South Well Field Treatment Plant Improvements**

Project Description: This project proposes the replacement of the current VOC remediation system as well as additional process improvements and upgrades at the South Well Field Treatment Plant. The existing air stripper will be replaced, and the treatment process will be reconfigured to maximize efficiencies. The public health benefits are to ensure reliable production of potable water and to ensure the ability to meet water standards.

Environmental Review: Categorical Exclusion

Capacity Development Review: Approval Recommended

Project Costs/Budget

Non-Construction

Engineering	\$200,000
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Construction

Construction Related Services	<u>\$2,800,000</u>
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Total Cost of Project	\$3,000,000
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Construction Dates: Start Date: November 2019 End Date: May 2020

Robert Burns presented the financials: Affordability Analysis covered previously in the Citywide SCADA project presentation.

Project Funding: DWSRF Loan \$3,000,000

Loan Terms: Secured by a General Obligation Bond with full faith and credit and taxing power of the City. The Interest Rate will be 2.489% for a term of 20 years. Interest only will be payable during construction in semi-annual installments. Upon project completion, principal and interest payments shall be paid semi-annually in an amount sufficient to amortize the outstanding principal balance over the 20-year term.

Recommendation: Based on information presented by The City of Newark's DWSRF application and the financial review conducted by DNREC, Environmental Finance; the Department of Health and Social Services, Division of Public Health recommends Council's approval of the DWSRF Binding Loan Commitment in the amount of \$3,000,000 to the City of Newark for the South Well Field Project with the aforementioned loan terms.

Motion made by Mr. Duncan, seconded by Ms. Adkins to approve the DWSRF Binding Loan Commitment (\$3,000,000) to the City of Newark for the South Well Field Treatment Plant Improvements Project. Motion passed unanimously.

Doug Lodge presented the **Sussex County Council's Winding Creek Village Water District Project Description:** This project proposes to install a water main from Meadows Pump District (TUI) to a master meter at the entrance to the Winding Creek Village Subdivision. Also included in this project is the construction of a distribution system throughout the subdivision along with the installation of relevant valves and fire hydrants. This project will improve water quality as current domestic wells in this community are experiencing saltwater intrusion. The consumers in the Winding Creek Village Community will be provided an adequate and reliable water service.

Environmental Review: After the required public notice, a Categorical Exclusion will be issued.

Capacity Development Review: Approval Recommended

Project Budget

a. Administration	\$23,300
b. Engineering	\$216,000
c. Construction	\$1,599,962
e. Contingencies	\$160,738
Total	\$2,000,000

<u>Construction Dates</u>	Start Date:	December 2019
	End Date:	December 2020

Robert Burns presented the financials:

Project Funding: DWSRF Loan	\$2,000,000
Principal Loan Forgiveness at Completion	\$1,000,000

Affordability Summary-User Rates

The annual cost for drinking water service is estimated at \$987 per Equivalent Dwelling Unit (EDU). This represents 1.82% of Median Household Income (MHI). When the utility provides only wastewater service, the affordability standard is 1.5% of MHI. The funding for this project is heavily subsidized in the form of principle forgiveness in the amount of \$1,000,000 and a 30-year term in order to lower the cost per household and to comply with EPA grant requirements.

Affordability Analysis	Winding Creek Village	With Subsidy
Project Cost	\$2,000,000	\$2,000,000
Principal Forgiveness Per Borrowers application		\$1,000,000
Loan Amount	\$2,000,000	\$1,000,000
<u>Drinking Water</u>		
Interest Rate	2.831%	2.831%
Loan Terms Years	30	30
Annual Debt Service for Proposed Project	\$99,380	\$49,690
O,M &R Proposed Project	\$51,000	\$51,000
Total Facility Cost	\$150,380	\$100,690

Residential Share at 100%	<u>\$150,380</u>	<u>\$100,690</u>
Debt Service Per EDU	<u>\$974.32</u>	<u>\$487.16</u>
OM&R (Includes Consumption Based Costs Estimated at 100,000 Gallons per year Per EDU)	<u>\$500</u>	<u>\$500</u>
DW Total Annual Charge Per EDU	<u>\$1,474</u>	<u>\$987</u>
EDU's	102	102
Median Household Income	\$54,218	\$54,218
% of MHI Drinking Water	2.72%	1.82%

Loan Terms: Secured by a General Obligation Bond with full faith and credit and taxing power of the County. The Interest Rate will be 2.831% for a term of 30 years. Interest only will be payable during construction in semi-annual installments. Upon project completion, up to \$1,000,000 of principal forgiveness will be applied. Principal and interest payments shall be paid semi-annually in an amount sufficient to amortize the outstanding principal balance over the 30-year term.

Recommendation: Based on information presented by Sussex County's SRF application and the financial review conducted by DNREC, Environmental Finance; the Department of Health and Social Services, Division of Public Health recommends Council's approval of the DWSRF Binding Loan Commitment in the amount of \$2,000,000 to Sussex County for the Winding Creek Village Water District Project with the aforementioned loan terms.

Motion made by Mr. Harmer, seconded by Mr. Dvornick to approve the DWSRF Binding Loan Commitment (\$2,000,000) to Sussex County's for the Winding Creek Village Water District Project. Vice-Chair Medlarz recused himself from voting because he is an employee of Sussex County. Motion passed.

Vice-Chair Medlarz clarified some questions that WIAC had regarding the project: Sussex County will bill the residents and pay Tidewater; the engineering fee includes construction review; and the system will have a fire suppression system. Winding Creek will have central sewer and that will be a separate project.

Jim Sullivan presented the following Surface Water Matching Planning Grant Award Recommendation (November 2018 submittal)

A press release was issued on October 8, 2018. Grant proposals were due on November 7, 2018. After a review and ranking on November 13, 2018, the following grant application was considered eligible and acceptable, and is offered to the Water Infrastructure Advisory Council for approval.

Final Ranking 1 Final Score 88 Project Cost: \$100,000

Recommended Grant Award: \$50,000

Funds Remaining = \$150,000

City of Rehoboth Beach-Silver Lake/Lake Comegys Management Plan

Development of a Lake Management Plan that would involve mapping the existing watershed including shoreline conditions and stormwater infrastructure, highlighting necessary maintenance to shorelines and infrastructure, updating stormwater and drainage plans, preparing preliminary engineering reports and modeling, evaluating the water quality of the lakes including

best management practices, and education/engagement with stakeholders related to the findings from this plan.

Additionally, for long-term maintenance and sustainability of the project, the jurisdictions need to better understand lake ownership and maintenance requirements. The City of Rehoboth Beach, Town of Dewey Beach, and Sussex County all have jurisdictional boundaries abutting Silver Lake. Dewey Beach and Sussex County have jurisdictional boundaries abutting Lake Comegys.

Motion made by Mr. Dvornick, seconded by Mr. Duncan to approve the Surface Water Matching Planning Grant (\$50,000) to the City of Rehoboth Beach for the Silver Lake/Lake Comegys Management Plan. Vice-Chair Medlarz recused himself from voting because he is an employee of Sussex County. Motion passed.

**Reza Moqtaderi presented the Wastewater Matching Planning Grant
Millsboro 2019 Wastewater Facility Plan**

Project Cost: \$120,000

Assistance Requested: \$50,000

Start Date: March 2019

Completion Date: December 2019

Consultant: Duffield Associates

Scope: Evaluation of the capacity of the existing Millsboro Wastewater Treatment Plant and collection system to plan for additional capacity and collection and disposal needs to meet expected growth projections.

Recommendation: Environmental Finance recommends Council approval and recommendation of a Wastewater Matching Planning Grant in the amount of \$50,000 to the Town of Millsboro for the proposed capacity and disposal study.

Motion made by Mr. Anderson, seconded by Mr. Duncan to approve the Wastewater Matching Planning Grant (\$50,000) to the Town of Millsboro for the 2019 Wastewater Facility Plan. Chairman Bross recused himself because he is an employee of Duffield Associates. Motion passed.

Reza Moqtaderi presented the financial information on the **FY2019 CWSRF NFAA Grants**

Wastewater Matching Planning Grants

Budgeted \$250,000

Requested to Date \$156,600

Remaining \$93,400

Wastewater Planning Advance Grants

Budgeted \$200,000

Requested to Date \$0

Remaining \$200,000

Wastewater Asset Management Grants

Budgeted \$300,000

Requested to Date \$0

Remaining \$300,000

Davison Mwale presented the **Wastewater Matching Planning Grant City of Seaford Extension Request**

On October 18, 2017, the Water Infrastructure Advisory Council approved and recommended \$23,100 in matching planning grant funds to the City of Seaford, to finance the design and preparation of plans and specifications for 4,500 LF of 12” gravity sewer to serve an existing annexed property, north on Route 13 and within in the City of Seaford.

The Grant agreement executed on December 5, 2017, with an effective grant period of 1 year, to December 5, 2018, for submission of deliverables.

On October 31, 2018, the City requested a six (6) month extension of the grant period, to June 30, 2019, in order for the City to obtain the remaining four (4) easements from existing properties along the route of the proposed sewer pipe extension and the City engineers to complete the design and preparation of plans and specifications.

Recommendation: Environmental Finance recommends council approval of the grant extension request to June 30, 2019, in order for the City to obtain the remaining four (4) easements from the existing properties along the route of the proposed sewer pipe extension and the City engineers to complete design and preparation of plans and specifications.

The motion made by Mr. Duncan, seconded by Dave Baker was withdrawn. Wastewater Subcommittee approved the extension. The extension was for informational purposes and did not require a vote from Council. WIAC was duly advised and had no problem with the recommendation for the extension.

Jim Sullivan presented the **Community Water Quality Improvement Grant (October 2018 submittal)**

A press release was issued on September 24, 2018. Grant proposals were due on October 24, 2018. A review and ranking of the proposals was held on November 9, 2018. Five (5) proposals were submitted.

Available funds = \$250,000

Funding request from proposals = \$199,928

Funds Remaining = \$50,072

Recommend 2 Grant awards for innovative research projects (IR) = \$124,985

Recommend 1 Grant award for straight implementation project (IMP) = \$74,943

Center for the Inland Bays (CIB)-Living Shoreline and Wetland Enhancement at the Delaware Botanic Gardens at Pepper Creek

Score 93.116 Total Project Cost \$120,180 **Funding Request \$74,943**

Install a living shoreline to stabilize 500 linear feet of eroding marsh edge. Reestablish 0.2 acres of marsh through plantings.

Vice-Chair Medlarz stated that the Surface Water Subcommittee supported this project: it has the highest ranking, but not the first one the Center for Inland Bays has put forth. It is time to review the ranking criteria. This particular Living Shoreline has moved from cutting edge of technology to accepted level of technology. Vice-Chair Medlarz advises the Center for Inland Bays that this is not the best and continued use of the technological advance funding.

Motion made by Mr. Anderson, seconded by Mr. Flynn to approve the Community Water Quality Improvement Grant (\$74,943) to the Center for the Inland Bays for the Living Shoreline and Wetland Enhancement. Motion passed unanimously.

Center for the Inland Bays (CIB)-Oyster Reef Creation

Score 85.166 Total Project Cost \$140,239 **Funding Request \$74,985**

Installation and monitoring of 60ft x 18ft x 3ft oyster reefs in the Inland Bays at 3 locations.

This will be a three (3) year grant: the work will be completed in two (2) years and then one (1) year to monitor.

Motion made by Mr. Dvornick , seconded by Mr. Duncan to approve the Community Water Quality Grant (\$74,985) to the Center for Inland Bays for the Oyster Reef Creation. Motion passed unanimously.

Partnership for the Delaware Estuary-Exploring the use of Freshwater Mussels for Water Quality Improvement in Stormwater Management Ponds

Score 78.83 Total Project Cost \$62,500 **Funding Request \$50,000**

Select, place, and monitor freshwater mussels in stormwater management ponds, farm ponds, and control ponds. This will be a three (3) year grant.

Motion made by Vice-Chair Medlarz, seconded by Mr. Harmer to approve the Community Water Quality Grant (\$50,000) to the Partnership for the Delaware Estuary's Exploration of Freshwater Mussel use in Stormwater Management Ponds. Jen Adkins abstained from voting because she is an employee of Partnership for the Delaware Estuary. Motion passed.

Ms. Wicks requested an update on the research projects. Carla Cassell-Carter stated that Chris Bason of the Inland Bays will make a presentation at the February 2019 WIAC meeting.

Heather Warren presented the **Drinking Water Matching Planning Grants**

Budgeted \$300,000

Requested to Date \$69,500

Remaining \$230,500

City of Rehoboth Beach-Water Facility Plan

Evaluation of Rehoboth's drinking water system including wells, treatment, distribution, and storage to recommend future water demands and improvements.

Total Project Cost \$65,000 **Assistance Requested \$32,500**

Start Date April 1, 2019 Completion Date April 1, 2020

Motion made by Mr. Duncan, seconded by Ms. Adkins to approve the Drinking Water Matching Planning Grant (\$32,500) to the City of Rehoboth for the Water Facility Plan. Vice-Chair Medlarz recused himself from voting because he is an employee of Sussex County. Motion passed.

Town of Millsboro-Planning and Design for New Elevated Storage

Planning and design for a new 500,000 gallon elevated storage tank, and PER development (no USDA funds will be utilized).

Total Project Cost \$74,000 **Assistance Requested \$37,000**

Start Date March 1, 2019 Completion Date March 1, 2020

Motion made by Mr. Duncan, seconded by Mr. Dave Baker to approve the Drinking Water Matching Planning Grant (\$37,000) to the Town of Millsboro for the Planning and Design for a New Elevated Storage. Vice-Chair Medlarz recused himself from voting because he is an employee of Sussex County. Mr. Dvornick was not present in the room at the time of voting. Motion passed.

Carla Cassell-Carter presented the **DWSRF and CWSRF Financial Updates**

DWSRF November 2018 Cash Flow Summary

in millions

Federal Capitalization Grants Less Set Aside Expenses (1997 – Present)	\$	162
State Match (1997 – Present)	\$	38
CWSRF Transfer	\$	-32
Total Capitalization	\$	168
Plus: Loan P/I Repayments & Interest on Investments	\$	65
Less: Loan Disbursements	\$	-174
Available Funds for Loans as of November 19, 2018	\$	59
Plus: Near-Term Loan Repayments & Interest on Investments (FY19)	\$	8
CWSRF Transfer (\$31.5)	\$	As Needed
Less: Undisbursed Near-Term Loans Payable (FY19)	\$	-26
Current Uncommitted Fund Balance	\$	41
Less: Loan Application <u>Pending Approval</u> (@ 100% of loan value)	\$	-7
Est. Fund Balance as of November 19, 2018	\$	34

CWSRF November 2018 Cash Flow Summary

		<i>in millions</i>
Federal Capitalization Grants (1990 – Present)	\$	220
State Match (1990 – Present)	\$	41
DWSRF Transfer	\$	32
Total Capitalization	\$	293
Plus: Loan P/I Repayments & Interest on Investments	\$	198
Less: Loan Disbursements, Principal Forgiveness, & Administration	\$	- 399
Available Funds for Loans as of November 19, 2018	\$	92
Plus: Near-Term Loan Repayments & Interest on Investments (FY19)	\$	15
Less: Near-Term Undisbursed Loans Payable (FY19)	\$	- 65
Less: DWSRF Transfer (\$31.5)	\$	As Needed
Current Uncommitted Fund Balance	\$	42
Less: Loan Application Pending Approval (@ 100% of loan value)	\$	-1.3
Est. Fund Balance as of November 19, 2018	\$	41

Delaware Clean Water and Drinking Water Projected Fund Balances

Actual/Projected (in millions)	CWSRF	DWSRF
November 19, 2018	\$91.780	\$59.290
June 30, 2019	\$41.705	\$40.674
June 30, 2020	\$7.191	\$26.790
June 30, 2021	\$5.747	\$27.119
June 30, 2022	\$20.127	\$37.933

Note: Management has established a \$5 Million dollar capital reserve for the Fund. This reserve allows the SRF Programs 24 months to prepare for leveraging and associated fees. Additionally, SRF Federal Funds received in years 2020-2022 are assumed at half of the historical amount.

CWSRF Actual & Projected Fund Balances 3-Year Comparison

	November 25, 2016 <i>(in millions)</i>	November 24, 2017 <i>(in millions)</i>	November 19, 2018 <i>(in millions)</i>
Total of Funds Available (since inception)	\$433.92	\$458.29	\$482.36
Balance with current obligations	\$91.50	\$43.55	\$49.71
Balance with current disbursements	\$116.49	\$120.15	\$91.85
Projected Balance with obligations as of fiscal year end	\$(17.42)	\$(7.22)	\$12.38
Projected Balance with disbursements as of fiscal year end	\$74.71	\$56.43	\$41.78

DWSRF Actual & Projected Fund Balances 3-Year Comparison

	November 25, 2016 <i>(in millions)</i>	November 24, 2017 <i>(in millions)</i>	November 19, 2018 <i>(in millions)</i>
Total of Funds Available (since inception)	\$205.91	\$221.50	\$234.41
Balance with current obligations	\$28.64	\$38.08	\$43.35
Balance with current disbursements	\$44.22	\$53.80	\$59.29
Projected Balance with obligations as of fiscal year end	\$9.72	\$24.00	\$21.55
Projected Balance with disbursements as of fiscal year end	\$41.99	\$50.71	\$40.68

Greg Pope presented the **Project Updates:**

- ▶ **Delaware City – Washington Street Flood Mitigation**
 - Construction – 75% complete
- ▶ **Lewes – Abbott Park Sewer Improvements**
 - Bids open on December 6th
- ▶ **New Castle County – Muddy Six Trunk Line**
 - Bids opened on November 13th
- ▶ **Newark – Rodney Stormwater Management Facility**
 - Environmental remediation contract awarded November 12th
 - SRF Loan closed on November 27th

SUBCOMMITTEE REPORTS:

WASTEWATER: Met on November 21, 2018. Mr. Pope reported that Wastewater Planning Grants and Wastewater SRF projects were reviewed.

SURFACE WATER: Met on November 21, 2018. Vice-Chair Medlarz reported that the Surface Water Matching Planning Grants and Community Water Quality Improvement Grants were reviewed. Also discussed were the Implementation of Needs Study, the budget, and the drafting of the RFP by Brooks Cahall for the review of the Subcommittee.

FINANCE: Met on November 27, 2018. Ms. Adkins reported that they reviewed today's meeting material, and discussed a newsletter and press releases for public outreach. Also discussed were the differences between CWSRF and DWSRF program requirements; and the different funding available: American Water Infrastructure Finance and Innovation Act (WIFIA); America's Water Infrastructure Act of 2018; America's Water Infrastructure and Improvements Act; and USDA. Council members were open to the suggestion of a 2 hour luncheon to learn about the different program financing. Carla Cassell-Carter would like to wait for the luncheon until there is more guidance from EPA headquarters on the new Water Infrastructure Act.

DRINKING WATER: Met on November 21, 2018. Mr. Duncan reported that they reviewed today's Drinking Water Matching Planning Grants. There was an enquiry from Duffield and Municipal Services of New Castle about the possibility of obtaining a Planning Grant for the use of electrical systems; Staff from Duffield and Municipal Services of New Castle will be invited to the next Subcommittee Meeting in order for the subcommittee to learn if there is a need for this and if it can be fit into the Planning Grant scope. The Non-Federal Admin Account was discussed. The topics of discussion for the next meeting: Small Systems Emergency Fund, Operation & Maintenance Committee Loan Funds, Source Protection and Line Acquisitions.

Carla Cassell-Carter informed Council that Environmental Finance will show which projects have received Asset Management Grants and Planning Grants so that Council can see the progression.

PUBLIC COMMENTS: None

GOOD OF THE COUNCIL: Desmond Baker wanted to know how the CWSRF/DWSRF workshop was communicated to the municipalities. It was explained that Environmental Finance utilizes email lists to send out Workshop information, and the Workshop is publicly published. Vice-Chair Medlarz wanted to discuss the MHI tie in regarding the Winding Creek Village Water District project. Sussex County tries to structure the referendum questions around the MHI. A higher MHI rate was anticipated; therefore, a higher rate was approved at the referendum. It was an unusual circumstance so it was felt that principal loan forgiveness could be used with this project. The greatest need may present themselves out of sync with the fiscal year.

Chairman Bross wished everyone a happy and safe holiday season. He thanked everyone for their work today.

MEETING ADJOURNMENT: Motion made by Mr. Duncan, seconded by Ms. Adkins to adjourn the meeting. Chairman Bross adjourned the meeting at 10:45 a.m. The next WIAC meeting is February 20, 2019, and will be held at Kent County Administrative Complex, Conference Room 220, 555 Bay Road, Dover, DE at 9:00 a.m.